

FY12 Budget Target

You and your financial manager can view and download your FY12 budget target from a secure server on the Brown network. Instructions on how to access the server, identified as the “Depts2” server by CIS, and your budget target files can be found at:

<http://www.brown.edu/Administration/Budget/systems/dfs.html>

The FY11 base budget was the starting point for computing your FY12 budget target. The individual lines of the base budget have been adjusted by the approved increase or decrease. Funding for extraordinary increases, new initiatives and program enhancements approved for FY12 were added to your target in the FY12 column.

While the target includes only broad categories, you should budget all of the expenditure lines from which you expect to spend.

Staff Salaries and Benefits

The approved FY12 budget framework includes funding for a 2.5% salary increase pool for staff. For those units funded primarily through a University appropriation (2-ledger funds), Human Resources has withheld 0.25% from the salary increase pool to be used university-wide to address equity issues that arise during FY12. The balance of the pool, 2.25%, and the associated benefits increase, have been included on your budget target. As detailed in the information from Human Resources, the 2.25% pool is to be distributed in two pieces: a 1.75% pool for performance increases and a 0.5% pool for equity and promotions. The Human Resources materials (emailed separately) provide guidance on distributing the salary increase pools.

Your budget target includes funding for the salaries of all positions (or portions of positions) funded from your base budget. This may include positions funded from University appropriations, auxiliary enterprises, endowments and some gifts.

New Benefit Rates

Your budget target has been adjusted to reflect the approved benefit rates for FY12:

<u>Category</u>	<u>Rate</u>
Faculty	32.0%
Admin Staff/Weekly	32.0%
Minimum	8.0%

In FY12, the University will continue to depend on the recovery of more than \$4 million of vacancy savings from departments. Those expected savings have already been redirected to fund critical academic priorities in the Plan for Academic Enrichment.

During the year, the Budget Office will recapture the salary and benefit savings from vacant positions funded from University appropriations. Savings are recouped from the time a position becomes vacant until the new incumbent begins work.

In preparing your budget, please remember that you should budget sufficient funds on each salary and benefit line to cover all of your positions for a full year. The accounting system will

encumber all funds budgeted on salary and benefit subcodes. Funds budgeted in salary and benefit subcodes may not be transferred to other subcodes during the year.

Endowment Payout

For FY12, the Corporation approved a 4% increase in the income distributed per share of endowment.

Total Funds Budget

For those operations supported by more than just University appropriations (2-ledger accounts), the budget target includes a “total funds budget” – a comprehensive view of the base budget expenses for your areas. Your target also shows a “budget target distribution,” a breakdown of the base budget by the sources of support, namely University appropriation funds, restricted endowments, and restricted gifts. Your target may also include the use of some endowment and gift account balances. The use of these balances has been projected based on input from individual departments, the Controller’s Office, and the Advancement Office. Units should review these accounts and develop plans to access these funds. Please contact the Budget Office if you think any changes may be necessary to the projections.

The target lists the funding from each source individually. As you manage your operations during the year, you will need to watch not only the total amount you spend, but also how those expenses are distributed across your funding sources. For example, your target might include a total funds budget of \$2 million, distributed as \$1 million from University appropriations and \$1 million from restricted endowment. The budget that you submit for next year should then show \$1 million budgeted in 2-ledger accounts and \$1 million budgeted in 4-ledger (endowment) accounts. In addition, at the end of the fiscal year, your actual expenditures should also be split: \$1 million in 2-ledger accounts and \$1 million in 4-ledger accounts.

The staff in the Budget Office and Controller’s Office will work with you to ensure that your budget and actual expenses are recorded correctly.

Preparing Your FY12 Budget

Departments will enter and submit their FY12 budgets using Brown’s new PRISM (Planning, Reporting, Information and Salary Management) system. PRISM is a web-based tool, which can be accessed from Brown or from off-campus locations using VPN (Virtual Private Network).

The PRISM system will “go live” on April 4. Members of your staff have attended training sessions on the PRISM system. If your staff need additional training or you have additional users that need access, please contact Debbie Moser at extension 3-2786. The URL for PRISM will be: <https://prism.brown.edu/tm1web/>. After the system goes live, a PRISM User’s Guide will be available via a link within PRISM as well as from the Budget Office website.

Your PRISM staffing plan includes all filled positions currently in HRMS and all budgeted, currently vacant positions from the last staffing plan you submitted for the current year. The positions and salaries in PRISM may not agree with your current organizational structure because of personnel changes made during the year. Please revise your staffing plan as necessary so that it accurately reflects FY12 salary information and any personnel or position changes.

Your budget submission must include an updated staffing plan that includes all filled and vacant positions (faculty, staff and union positions) on the regular payroll, as well as all other compensation such as overtime and limited duration payroll. You should continue to budget for all vacant positions except those that are being eliminated as of June 30, 2011.

Submitting Your Budget

PRISM files for data entry for FY12 will be available through May 4, 2011. *Each division may set an earlier due date to allow for additional reviews and changes. Please consult with your senior officer to confirm the due date for your materials.* When you have completed your budget and staffing plan, please email the Budget Office. At that time, your file will be locked and no changes can be made at the departmental level. The budget you submit should be in balance and distributed correctly between the sources of funding identified on your target.

After your FY12 budget is loaded to FRS, PRISM will be updated with budgets and actuals from FRS nightly, and your staff will be able to use the system to monitor and report on your budget during FY12.

Please remember that the salary increase and budget processes are taking place simultaneously. You should return your salary increase worksheets to Human Resources by May 4, 2011.

If you have any questions or need assistance with any aspect of the budget process, please contact the Budget Office at extension 3-2786.